UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress ¹

[Date approved: December 20, 2005]²

Bill No. and sponsor: H.R. 3115 (Mr. Mark S. Kirk of Illinois).

Proponent name, location: The Bradford Group, Niles, Illinois.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

Suggested article description for enactment (including appropriate HTS subheading):

Electrically operated wall clocks, the foregoing capable of operating without an external source of power, presented in the immediate packaging for shipment to the ultimate consumer, each weighing not over 2.5 kg together with retail packaging (provided for in subheading 9105.21.80).

Check one:	Same as that in bill as introduced.
	X Different from that in bill as introduced (see Technical comments section)

Product information, including uses/applications and sources of imports:

The clocks covered by the bill as drafted and provided for in HTS subheading 9105.21.80 are electrically operated (either from an AC power cord or battery source (DC)) wall clocks, other than those with an opto-electronic display. These clocks typically have a traditional analog clock face³ with minute, hour, and/or second hands that rotate to indicate the passage of time. They are normally equipped with a bracket or other fixture on the back of the unit to facilitate mounting the clock on a vertical surface. The internal movements of such clocks may either be mechanical or quartz. The proponent of this legislation has indicated the firm is interested in duty-free treatment only for battery-powered (non-AC) wall clocks that are individually prepackaged by the foreign supplier in protective mailers that require only the application of shipping labels and postage to facilitate delivery to the ultimate U.S. consumer. The description set forth above was developed in conjunction with the proponent to achieve the intended coverage; it offers an alternative to the expression "put up for mail order retail sale" that proponent has indicated is appropriate to these products. The principal foreign sources of U.S. imports of these products are China and Thailand.

¹ Industry analyst preparing report: John Cutchin (202-205-3396); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ Such clock faces can take a number of configurations including 12 and 24 hour versions, with Roman or Arabic numerals, with or without all hours being enumerated, and with or without tick marks to designate, hour, minute, and second increments.

Estimated effect on customs revenue:

HTS subheading: <u>9105.21.80</u>						
\searrow	2005	2006	2007	2008	2009	
Col. 1-General rate of duty (AVE) <u>1</u> /	10.5%	10.5%	10.5%	10.5%	10.5%	
Estimated value <i>dutiable</i> imports	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	
Customs revenue loss	\$157,500	\$157,500	\$157,500	\$157,500	\$157,500	

^{1/} The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Official U.S. Government statistics, industry estimates, and Commission staff estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?		Opposition noted?
			(Yes/No)	
The Bradford Group (Proponent) Mr. Joel Platt, 847-581-8351	11/07/2005	No	No	No
The Danbury Mint Mr. Peter Maglathlin, 1-800-243-4664	11/11/2005	No	No	No

Technical comments:4

It is suggested that the article description be modified to read as shown on page 1 of this report, in order to track more closely the language of the permanent tariff provision and to cover only the goods of interest to the proponent.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS 1ST SESSION

H.R.3115

To suspend temporarily the duty on certain clocks.

IN THE HOUSE OF REPRESENTATIVES

June 29, 2005

Mr. Kirk introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain clocks.

1	Be it enacted by the Senate and House of Representa-							
2	tives of the United States of America in Congress assembled,							
3	SECTION 1. CERTAIN CLOCKS.							
4	(a) In General.—Subchapter II of chapter 99 of							
5	the Harmonized Tariff Schedule of the United States is							
6	amended by inserting in numerical sequence the following							
7	new heading:							
	"	9902.09.57	Clocks, whether or not put up in sets, put up for mail order retail sale, and each weighing not over 2.5 kg to- gether with their retail pack- aging (provided for in sub- heading 9105.21.80)	Free	No change	No change	On or before 12/31/2008	".

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies to articles entered, or withdrawn
- 3 from warehouse for consumption, on or after the 15th day

4 after the date of the enactment of this Act.

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